

PP2-IV FYEG Political Platform - The Green Economy

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Political Platform text

4. The Green Economy

The Federation of Young European Greens identifies the root causes of the social and environmental crises as lying within the current economic system. We believe that this capitalist system, based on unrestrained competition, consumerism, the exploitation of workers, and profit maximisation* is unsustainable and incompatible with our planet's limited resources and the goal of an economy that benefits all. This system deliberately imposes social and environmental costs on low-income countries, future generations, and other species. It creates extreme inequalities and excludes most people from decision-making processes concerning how and what is produced in an economy. We are deeply interconnected, with each other and with the rest of the planet. The crises we are facing are the result of the system we have created that is disrupting human well-being and destroying our collective resilience, and which represents an existential threat to humanity.

FYEG sees an urgent need for a new vision of progress that is fit for the century ahead of us. In order to bring an end to environmental destruction and human deprivation, it is crucial to change the way our economies are built and defined. We need to shift from economic growth* to human and planetary well-being. We need to go beyond indicators such as gross domestic product (GDP)* and start taking into account matters such as quality of life and environmental well-being when judging our economic performance. We believe the technological shift to a zero-waste industry and economy is not enough. The green economy we want to build implies a radical change in the democratisation of the economy, the redistribution of wealth, and a just transition.

a. Alternative models to unlimited growth

Economics should not prioritise economic growth, profit, and consumption, but rather human well-being and welfare. The indicators currently used by economists fail to take social and environmental factors into account. We therefore think

it is time to develop new indicators which factor in environmental degradation and economic inequality. The genuine progress indicator (GPI)*, for instance, measures overall quality of life rather than just economic progress, and takes into account the needs of individuals and their environment.

A market model creates privately owned and monopolised resources while alternative economic models, such as “doughnut economics”*, degrowth*, and the Economy for the Common Good*, provide a system which is sustainable, fair, and just.

We need to look at the economy in a new way, dismantling the myth of unlimited growth, putting an end to excessive capital accumulation, and prioritising a redistribution of wealth and production factors. We strive to use the European Green Deal to recover from the current crisis in a sustainable way: to foster a circular economy, economic security and certainty, and gender equality, and to bring about the destruction of the gendered division of labour. Intergenerational and intragenerational equity are also fundamental social values for a green economy.

For governments, economic policies must be guided by the goals of the Paris Climate Agreement and the UN’s 2030 Agenda* for Sustainable Development, not by the pursuit of endless economic growth.

b. Economic structures

The current structure of the economy is a source of injustice, inequality, and environmental destruction. The monopoly some international companies hold prevents the entrance of new actors onto the market. It is more and more difficult for states and citizens to hold companies accountable for their actions. These companies are the gatekeepers for change. FYEG believes that in order to create a more sustainable and fair approach to the economy, our economic system has to change. It must serve people, not billionaires.

It is time to rethink how we do economics.

Many economic challenges come from large companies who seek profit at all costs. They undermine workers’ rights and environmental standards as well as small local businesses and worker cooperatives. They often avoid paying taxes, compromising the ability of the state to provide public services. We therefore call for the economy to be structured differently. Companies that are too big to fail* or hold monopolies should be split up. Small and medium-sized enterprises (SMEs)* should have more opportunities to run their businesses without facing the threat of multinational corporations. Enterprises that serve goals other than maximising profits, who operate simply in order to provide services or

create jobs, are a solution.

We believe workers themselves can take a more active role in shaping the economy. We demand that businesses be governed by the people that work in them. One important step towards this goal would be the occupation of at least 50% of seats on company boards by employees. Another tool is the cooperative business model* as it helps to democratise the economy and shift the focus to placing people over profit and building a more inclusive economy. Mechanisms should be put in place to make it easier for workers to transform their companies into cooperatives, especially when the original owner is planning to close the company.

A green economy rejects the commodification and privatisation of the commons. Basic human needs and social rights should always be guaranteed and must never depend on markets. This applies especially in the cases of housing, health, education, food, and transport.

In order to reduce the impact of the economy on the environment, it is also important to question the never-ending globalisation* of our economy. Globalisation has both social and environmental consequences and favours major companies over small businesses. We support relocalising* the economy, starting with the production of essential goods such as food and medicine. The goal of economic policy should not be to boost exports at all costs but rather to improve resilience and reduce imports, dependency on single actors, and environmental impacts. Shorter supply chains should be encouraged. The introduction of not only carbon but also of social border taxes could be one of the ways to encourage the relocalisation of the economy.

c. A sustainable economy

Transforming our economy into a green economy also means reducing consumption and pollution. The Earth cannot possibly sustain today's levels of consumption. Therefore, challenging consumerism should be at the centre of a just transition.

We want to turn the linear economy*, which is based on a "take-make-waste" model, into a fully circular economy*. In a circular economy, products and materials are used over and over again instead of being discarded. We believe we can shift from a linear economy to a circular economy based on the following principles: minimising the usage of energy and resources; preserving value in the economy; preventing waste, toxic materials and pollution; keeping goods and materials in use and in closed loops; ensuring human health; and encouraging the prevention of waste.

For consumers to be able to play an active role and change their buying habits,

we defend the right to access more detailed, harmonised, and reliable information on the social, environmental, and climate impacts of goods and services over their lifecycle, including durability and repairability*. We also emphasise the need for change in relation to product-related greenwashing* and false environmental claims. We support stronger requirements on the repairability of goods: producers must ensure that their products can be easily repaired, and that spare parts will remain available for at least 20 years.

Today, most items and packaging are meant to be used once and discarded. This creates vast quantities of pollution and waste materials. As landfills exceed capacity and micro-plastics pollute the whole planet, there is a substantial need for change. We support a move towards a zero-waste society, phasing out single-use plastics and encouraging the development of bulk buying.

Consumption is influenced by an ever more visible advertising presence. We support regulation in advertising, including a ban on advertising the most polluting products and behaviours (e.g. car and air travel, meat consumption). We support a ban on targeted advertisement that uses people's personal data to influence their behaviours. We also think the environmental and visual impact of advertisements should be addressed, for example by limiting the size of advertising billboards in cities, making sure they are not illuminated at night, and banning digital advertising screens..

d. Fiscal policy

Taxation is needed to fund public budgets, maintain quality public services and welfare states, and fund investments needed for a just transition to a zero-carbon economy. We oppose the austerity policies* that have been put in place across Europe, and we demand fair taxation and a stronger fight against fiscal fraud. Taxation can also be a powerful tool in itself, reducing inequalities, redistributing wealth, and contributing to changing behaviours.

We defend the introduction of a European common taxation policy in order to fight tax avoidance* and tax havens*, both inside and outside the EU. A baseline 20% EU corporate tax* should be introduced to reduce the attractiveness of tax avoidance. Part of that corporate tax should automatically feed into the EU budget.

Taxation should be used to reduce inequalities. We support progressive income taxation*, with higher taxation for the richest taxpayers. We also support the introduction of a wealth tax* on multi-millionaires, possibly at the EU level. Finally, we believe a higher taxation on inheritance is key to reducing the transfer of inequalities from one generation to the next.

The Federation of Young European Greens also believes that taxation can help support positive behaviours and discourage harmful behaviours. Behavioural taxes such as a carbon tax, the taxation of meat products, the taxation of single-use plastic items, and the taxation of polluting cars, among others, can be powerful tools to encourage change. Those taxes should be implemented fairly to avoid overburdening citizens already living in precarious situations. Their revenue should be redistributed and help support a just transition.

e. Financial markets

More than a decade after the global financial crisis, financial markets and banking systems remain dangerous and flawed. Financial markets continue to cause systemic instability and social inequality. Investments continue to flow to unsustainable, carbon-intensive* industries. Banks still ignore the damage their investments are causing to societies and the environment.

We need to change finance. We cannot make the transition to a fairer, greener future economy without a global financial system that can allocate capital to where it is needed, drive sustainable investment, and manage risk equitably. The financial system must serve the needs of society, not the other way around. To achieve this, transparency, fairness, and sustainability are key. The taxation of financial transactions* is an important tool to fight short-term and instant transactions. We support its introduction at the EU level.

We need a global banking system – and a system of banking regulation* – that responds to today's needs and prioritises the public good. It needs to encourage productive investments in the local green economies of today and tomorrow, rather than propping up polluting industries or encouraging dangerous speculation. It needs to address inequality, both globally and locally, rather than entrenching it. And it needs to be responsive to society, rather than lawless and deregulated.

f. The digital economy

The digital economy is becoming a central part of the economy. It has the power to change our society – for the better or for the worse. We need to act quickly to ensure that the development of the digital economy is not used to attack our rights and privacy (see chapter 2), or to bypass social regulations as in the case of platform workers* (see chapter 5). We need to make digitalisation an opportunity for our society and ensure that regulations are creating a level playing field* for all actors, as well as improving training on digital jobs. The size and influence of some of the big digital companies raise legitimate concerns. We support dismantling tech giants* and de-monopolising* digital offerings.

Europe's physical communications infrastructure* must be built, owned, operated, and maintained on a non-profit basis as a common resource. This allows faster expansion, with more people gaining access at a lower cost.

While digitalisation can be used to tackle climate change, the biodiversity crisis, and pollution, we must not forget that digitalisation itself is not a climate-neutral activity. From web servers and cables to antennas, phones and computers, digitalisation relies on infrastructure that consumes large quantities of energy and therefore contributes to greenhouse gas emissions. It also requires the use of many rare earth elements, the extraction of which causes serious harm to the environment.

The premature obsolescence of digital products and the never-ending race towards better products, higher resolution, bigger screens, and smaller computers exacerbates this phenomenon, as well as generating large quantities of electronic waste that is not properly recycled and therefore contributes to water and soil pollution.

A lot more needs to be done to ensure the sustainable implementation of digitalisation. We must remember that digitalisation is a tool to achieve our wider goals and not an end in itself.